

IAMU Policy Recommendations:

1. For the reasons I have presented, I recommend that you put us to the test. I have described changing market conditions and other factors that are causing municipal utilities to step up their investment in energy efficiency. Give us a chance to demonstrate that we are up to the challenge.
2. Regarding utility sector energy efficiency in general, I would remind you that utilities do not fund investment in energy efficiency; customers do. Many of them are already struggling to pay increasing energy costs, so you need to keep that in mind.
3. Having said that, if we are going to seriously address climate change, we can't do it on a business-as-usual basis. It's not just utilities that need to step up. We have been focusing on ~~three~~ policy changes that should be considered.
 - a. Residential energy efficiency building standards are currently enforced by requiring the building or homeowner to file a certificate with the utility that the building meets the energy efficiency building code. There are no consequences for falsely certifying. The legislature should consider making such future certifications part of the records that transfer with the title. I believe that doing so would make the process self-enforcing.
 - b. Iowa does not require compliance with the energy efficiency building code for commercial buildings. Seven years ago, we built an office building in Ankeny that used off-the-shelf technology. Our building is still recognized as one of the most efficient in the region. The average small office building in our region uses almost 4½ times the energy as we do. This disparity has to improve.
 - c. I mentioned that we are working on a model ordinance that would establish minimum standards for rental property. I don't know what those standards would be and there has to be a balance between efficiency and affordability, but a rental unit with a 20-year old refrigerator, a 60 percent efficient furnace, and little or no insulation and weather stripping is no bargain for the renter and no bargain for taxpayers who subsidize substandard conditions through the LIHEAP program. We expect push-back on these ordinances. My hope is that the legislature will not block implementation of these local initiatives.
 - d. We need more good ideas for financing energy efficiency improvements for rental property and low-income homeowners. More revolving loan funds may help. Another problem may just require more thinking or better exchange of information with other states and among the various utilities. Replacement of an inefficient furnace or air conditioner saves a lot of energy, but the dollar savings are not typically sufficient to repay the investment over the course of a single tenancy. The question is how to get a subsequent renter to repay by paying for electricity or gas he or she is not using?